

Program C: Community Development Block Grant

Program Authorization: Title I of the Housing and Community Development Act of 1974 as Amended

Program Description

The mission of the Office of Community Development (through the Louisiana Community Development Block Grant (CDBG) Program) in the Division of Administration awards and administers financial assistance to units of general local government in federally designated eligible areas of the State to further develop communities by providing decent housing and a suitable living environment and expanding economic opportunities principally for persons of low to moderate income, in accordance with federal statutory requirements.

The goal of the Community Development Block Grant Program in the Division of Administration is to improve the quality of life of the citizens of the State of Louisiana, principally those of low and moderate income, through the implementation of sound management and the effective administration of the Louisiana Community Development Block Grant (LCDBG) Program.

The Community Development Block Grant Program in the Division of Administration was created in 1974 under Title 1 of the Housing and Community Development Act. Two different programs were created by this act: (1) the entitlement program, which guarantees an annual allocation to metropolitan cities and urban counties, and (2) a non-entitlement program, which is referred to as the small cities program. The U.S. Department of Housing and Urban Development (HUD) initially administered both programs. Because of the continuing criticism among small cities that HUD was not being responsive to their needs, President Reagan, as part of the "new federalism" platform gave the states the option of administering the small cities program. This option was intended to give state and local governments greater flexibility and more discretion in addressing specific needs at the local level.

The State of Louisiana assumed the administration of the small cities program in 1982. LCDBG provides assistance to local units of government in non-entitlement areas for the development of viable communities by providing decent housing and a suitable living environment and expanding economic opportunities.

Non-entitlement areas are municipalities with a population of less than 50,000 and parishes with an unincorporated population of less than 200,000. There are currently 340 local governing bodies in Louisiana that meet this definition.

Each activity funded under the LCDBG Program must meet one of the following two national objectives: (1) principal benefit (at least 51%) to low and moderate income persons, and (2) elimination or prevention of slums and blight. There are a variety of activities eligible for funding under the LCDBG Program such as housing rehabilitation, public facilities (infrastructure improvements such as water, sewer, gas, and streets), community centers, parks, social programs, and economic development (assistance to for-profit businesses). Each state is allowed the flexibility of determining its priorities from that range of eligible activities. Since the inception of Louisiana's program, input has been sought from officials with the local governing bodies by means of surveys, public hearings, and written comments on proposed plans. That input has been used in the establishment of program priorities. Selection and rating systems for the review of the LCDBG applications were designed to ensure that the national objectives and goals of the state would be met and that the most severely needed projects are funded.

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The distribution of LCDBG funds by program category is evaluated each two-year funding cycle. Through the previously described methods, the Division of Administration's Office of Community Development (the organizational unit responsible for the LCDBG Program) solicited comments and suggestions prior to designing its FY 2002 and FY 2003 programs. As a result, the majority of the state's LCDBG funds have been allocated to public facilities (including demonstrated need projects which fund emergency projects and LaSTEP projects); funds were also allocated for economic development and housing. LaSTEP projects utilize self-help techniques for completing water and sewer projects. These grants will reduce the cost of construction by reducing the project to the absolute essentials and by utilizing the community's own resources (human, material, and financial). Partnerships will be formed among the state, local governments, water and sewer districts, and local citizens.

Street improvements (including drainage), water projects (potable and fire protection), and sewer projects (collection and treatment) were identified as the highest public facilities priorities of the local governing bodies. Therefore, they were identified as the top priorities under the FY 2002 and FY 2003 LCDBG programs. Although neighborhood facilities ranked a distant seventh behind the aforementioned top priorities, several communities stressed a need for multi-purpose community centers during the comment period. Because of that input, \$1.2 million in FY 2002 LCDBG funds has been set-aside to fund facilities of this type. The percentage distribution of funds among the public facilities priorities (subcategories) is based upon the number/percentage of applications received and the amount of funds requested for each priority. Half of the funds are distributed based on the percentage of applications received in each subcategory and half on the basis of amount of funds requested in each subcategory.

The LCDBG Program is very competitive because the amount of funds requested annually always far exceeds the amount of funds available. For example, under the FY 2001 program, there were 195 public facilities applications considered for funding; those applications requested a total of approximately \$103 million. With \$25 million available to fund public facilities projects, it is estimated that one of four public facilities applications will be funded. Because of the limited funds available, the Office of Community Development has designed rating/point systems to target the most severely needed projects. The highest ranked applications are funded to the extent that monies are available.

RESOURCE ALLOCATION FOR THE PROGRAM

	ACTUAL 2000-2001	ACT 12 2001-2002	EXISTING 2001-2002	CONTINUATION 2002-2003	RECOMMENDED 2002-2003	RECOMMENDED OVER/(UNDER) EXISTING
MEANS OF FINANCING:						
STATE GENERAL FUND (Direct)	\$73,285	\$338,410	\$338,410	\$365,745	\$340,053	\$1,643
STATE GENERAL FUND BY:						
Interagency Transfers	0	0	0	0	0	0
Fees & Self-gen. Revenues	0	0	2,670,000	0	0	(2,670,000)
Statutory Dedications	0	0	0	0	0	0
Interim Emergency Board	0	0	0	0	0	0
FEDERAL FUNDS	38,507,251	59,584,494	59,584,494	59,608,646	59,592,622	8,128
TOTAL MEANS OF FINANCING	\$38,580,536	\$59,922,904	\$62,592,904	\$59,974,391	\$59,932,675	(\$2,660,229)
EXPENDITURES & REQUEST:						
Salaries	\$807,794	\$789,588	\$845,555	\$872,083	\$866,976	\$21,421
Other Compensation	10,079	18,174	18,174	18,174	18,174	0
Related Benefits	119,311	115,894	149,835	172,510	152,710	2,875
Total Operating Expenses	79,670	100,724	100,724	98,033	83,239	(17,485)
Professional Services	0	0	0	0	0	0
Total Other Charges	37,556,909	58,898,524	61,478,616	58,813,591	58,811,576	(2,667,040)
Total Acq. & Major Repairs	6,773	0	0	0	0	0
TOTAL EXPENDITURES AND REQUEST	\$38,580,536	\$59,922,904	\$62,592,904	\$59,974,391	\$59,932,675	(\$2,660,229)
AUTHORIZED FULL-TIME						
EQUIVALENTS: Classified	18	18	19	19	19	0
Unclassified	0	0	0	0	0	0
TOTAL	18	18	19	19	19	0

SOURCE OF FUNDING

This program is funded with State General Fund and Federal Funds. The Federal Funds are derived from the U.S. Department of Housing and Urban Development.

MAJOR FINANCIAL CHANGES

GENERAL FUND	TOTAL	T.O.	DESCRIPTION
\$338,410	\$59,922,904	18	ACT 12 FISCAL YEAR 2001-2002
			BA-7 TRANSACTIONS:
\$0	\$2,670,000	0	Carry Forward BA-7
\$0	\$0	1	BA-7 increases the number of authorized positions in a reorganization of the agency.
\$338,410	\$62,592,904	19	EXISTING OPERATING BUDGET - December 20, 2001
\$6,510	\$13,021	0	Annualization of FY 2001-2002 Classified State Employees Merit Increase
\$6,056	\$12,112	0	Classified State Employees Merit Increases for FY 2002-2003
(\$6)	(\$12)	0	Risk Management Adjustment
\$0	(\$2,670,000)	0	Non-Recurring Carry Forwards
\$7,612	\$15,224	0	Salary Base Adjustment
(\$10,534)	(\$21,069)	0	Attrition Adjustment
(\$8,426)	(\$16,853)	0	Salary Funding from Other Line Items
\$0	\$4,806	0	Group Insurance Adjustment
\$2,614	\$5,228	0	Other Adjustments - Funding for Civil Service reallocation adjustments
\$1,170	\$2,340	0	Other Adjustments - Funding for the Office of Telecommunications Management rate increase
(\$3,353)	(\$5,026)	0	Other Adjustments - Group Benefits adjustment from EOB to FY03.
\$340,053	\$59,932,675	19	TOTAL RECOMMENDED
\$0	\$0	0	LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS
\$340,053	\$59,932,675	19	BASE EXECUTIVE BUDGET FISCAL YEAR 2002-2003
			SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE:
\$0	\$0	0	None
\$0	\$0	0	TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE
\$340,053	\$59,932,675	19	GRAND TOTAL RECOMMENDED

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PROFESSIONAL SERVICES

This program does not have funding recommended for Professional Services for Fiscal Year 2002-2003.

OTHER CHARGES

\$58,728,801	Community Development Block Grants for local communities
\$5,000	Workshops for grant recipients
\$55,092	Technical assistance for the Louisiana Rural Water Association

\$58,788,893	SUB-TOTAL OTHER CHARGES
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Interagency Transfers:

\$14,838	Office of Telecommunications Management
\$2,870	Department of Civil Service
\$4,975	Office of Risk Management

\$22,683	SUB-TOTAL INTERAGENCY TRANSFERS
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\$58,811,576	TOTAL OTHER CHARGES
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ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding recommended for Acquisitions and Major Repairs for Fiscal Year 2002-2003.